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EXECUTIVE SEARCH

2025 in Review:

Global Fixed Income, Growth Pockets, and What Hiring Signals for 2026

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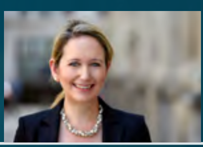
Fixed income in 2025 was, in many respects, a "normalisation" year—one where higher starting yields and a more credible path to policy easing restored bonds' role as a return-generating asset class rather than a pure hedge. For asset managers, insurers, banks, and alternative credit platforms, the implication was straightforward: client demand returned, product shelf space expanded, and competition shifted from "who can offer yield" to "who can deliver repeatable outcomes with robust liquidity and risk management."

"From an executive search standpoint, 2025 also clarified that fixed income talent markets are no longer dominated only by traditional active managers. Hiring demand broadened across ETF platforms, systematic credit, private credit, and structured credit—while risk, data, and portfolio construction skills became as commercially important as credit picking".



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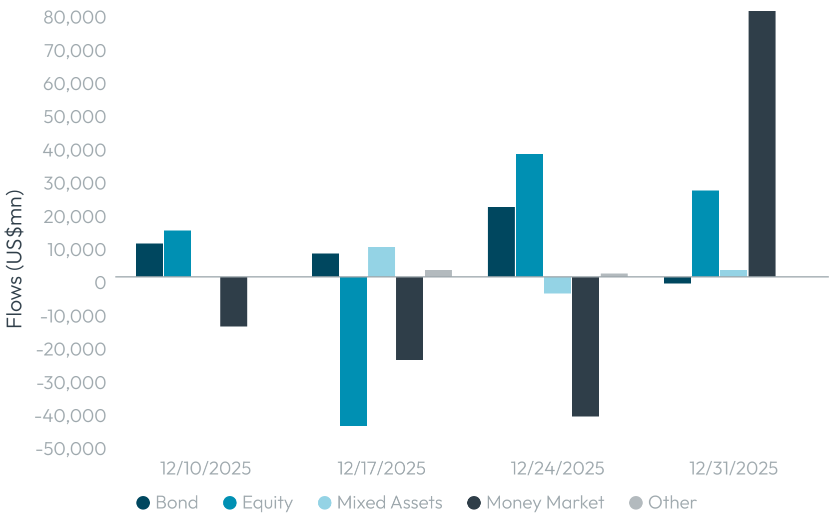
Where growth showed up in 2025

1. Broad bond allocations returned, driven by flows—not just performance.

The most important structural development in 2025 was the scale of asset reallocation back into fixed income. Reuters cited roughly **$891.74 billion** of inflows into global bond funds over 2025 (despite a small outflow in the final week of the year). Complementary year-end reporting also highlighted strong investor preference for bond funds during 2025. The takeaway for managers was that demand was not limited to a single "trade"; it was a broad re-risking of fixed income allocations—often paired with cash management rationalisation as investors gradually moved away from money-market parking.

FUND FLOWS: GLOBAL EQUITIES, BONDS AND MONEY MARKETS



2. Active fixed income regained relevance in key channels (notably Europe).

While passive continued to grow, 2025 saw meaningful interest in active bond strategies where dispersion, curve management, and credit selection were rewarded. Morningstar commentary on European flows noted that active bond funds attracted significant net inflows during 2025 periods, underscoring that active demand was alive where managers could demonstrate consistent outcomes.

3. Credit and spread product stayed central—but with a rising emphasis on underwriting discipline.

With yields still elevated versus the prior decade, investors remained attracted to carry and roll-down in investment grade, select high yield, and securitised credit. The commercial opportunity for managers was less about "beta credit exposure" (which is increasingly commoditised) and more about packaging: unconstrained credit, short-duration income, quality carry strategies, and outcome-oriented mandates that fit model portfolios and wealth platforms.

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4. Leveraged finance and structured credit re-accelerated.

In leveraged loans, issuance accelerated materially, supporting demand for loan and CLO managers, capital markets expertise, and credit workout skills. For example, White & Case's market commentary referenced exceptionally strong U.S. leveraged loan issuance in 2025 (including record quarterly volumes in Q3). In structured credit, expectations for ongoing issuance remained constructive: Moody's outlook noted strong liquidity and investor demand, with 2026 volumes projected near 2025's record level in parts of the European CLO market.

5. Private credit continued to grow—but the edge narrowed.

Private credit remained a major growth segment in 2025, supported by continued institutional demand and increasing retail-oriented "evergreen" vehicles. At the same time, competitive dynamics tightened: Reuters Breakingviews argued that private credit is converging toward "plain old credit" as banks re-enter and yield premia compress, even as the sector's scale remains large (citing roughly **$2.4 trillion** by 2024). The industry implication is that differentiation in 2026 will depend more on origination quality, structuring, sector specialisation, and risk infrastructure than on a simple illiquidity premium story.

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Hiring trends: what fixed income teams searched for in 2025

A. Portfolio managers with "outcome delivery" skill sets.

Demand rose for PMs who can run duration and curve exposure dynamically, integrate macro with bottom-up credit, and communicate portfolio intent clearly to distribution. Wealth channels in particular favoured strategies with explicit objectives (income, low drawdown, capital preservation, inflation resilience), which pulled hiring toward multi-sector and total return credit PMs.

B. Credit research scaled selectively—toward sectors where dispersion matters.

Managers hired in sectors with persistent idiosyncratic risk: financials, energy transition-linked credits, communications/tech cap structures, and commercial real estate-adjacent exposures. The premium profile was the "research-to-PM" pathway: analysts with a demonstrable record of translating underwriting into sizing, catalysts, and risk limits.

C. ETF and product leadership expanded, especially in fixed income innovation.

The fixed income ETF ecosystem continues to broaden beyond core aggregate exposures into active, semi-active, and systematic strategies. This created hiring needs across portfolio engineering, fixed income trading/liquidity management, index/product design, and product marketing—roles that bridge investment, operations, and distribution.

D.Structured credit and CLO talent stayed scarce.

Where issuance and opportunity sets improved, competition intensified for senior structured credit PMs, tranche specialists, and analysts with strong collateral underwriting and documentation discipline. Risk and compliance hiring also increased in this segment due to model governance, concentration management, and transparency requirements from institutional allocators.

E. Private credit: origination plus portfolio construction remained hardest to secure.

The highest demand remained for leaders who can originate differentiated deal flow while maintaining portfolio construction rigour—especially as competition compresses spreads and pushes leverage. As the market matures, hiring also increased for credit risk, valuation governance, and portfolio monitoring functions that can institutionalise decision-making.

F. Data, quant, and risk hiring moved closer to P&L ownership.

Systematic credit, alpha signal research, execution analytics, and AI-enabled workflow improvements all drove hiring in 2025. Importantly, these hires were increasingly embedded within investment teams and trading rather than sitting in isolated innovation groups—reflecting the shift toward measurable ROI.

Compensation trends: disciplined frameworks, targeted scarcity premia

Compensation across fixed income in 2025 generally followed a “selective premium” pattern:

- **Front-office pay dispersion widened** where performance and fundraising were clearly attributable (high-performing credit books, successful structured credit platforms, private credit origination).
- **Guarantees were used more carefully,** often tied to portability (validated AUM/revenue transferability) and multi-year performance hurdles.
- **Scarcity premia persisted** in structured credit/CLOs, private credit origination, fixed income ETF capital markets/trading, and hybrid PMs who can combine rates and credit.
- **Risk-adjusted metrics gained weight** (drawdown control, liquidity stress outcomes, and realised loss experience), particularly in credit strategies marketed as “lower volatility” income solutions.

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What changes in 2026: the most likely evolution

1. The market shifts from "rates direction" to "curve, volatility, and dispersion."

If easing cycles continue unevenly across regions, 2026 is likely to reward managers who can actively manage curve shape, cross-market relative value, and volatility regimes. That environment increases the value of teams with strong macro-to-positioning translation and robust risk systems.

2. Credit underwriting discipline becomes the primary differentiator.

As competition compresses spreads in both public and private credit, the winners will be those with repeatable sourcing advantages, tighter covenants/structures where possible, and deeper monitoring. The "private credit premium" debate (and its potential shrinkage) makes this especially salient.

3. Leveraged finance and CLOs stay active, but downside readiness is priced in.

With issuance expected to remain elevated in parts of structured credit markets, demand should stay strong for proven managers and analysts—while allocators increasingly probe loss-given-default assumptions, documentation, and manager behaviour in workouts.

4. Product and distribution integration becomes a talent problem, not a marketing problem.

In 2026, fixed income growth will increasingly be captured by firms that can package exposures into wealth-ready solutions (active ETFs, model-friendly income sleeves, and outcome portfolios) and support them with high-quality portfolio communication. Hiring will continue to favour product strategists and "investment translators" who can credibly bridge PM teams and distribution.

5. Top Down & Bottom Up

Macro skills will become increasingly important. Firms are making assumptions on rates direction and/or the Fed leadership. What if inflation direction calls are wrong and growth is slower than anticipated. Macro investment skills that help identify such risks will become a critical skill set.

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Implications for executive search in 2026

1. **Prioritise "system builders" in credit and structured products**—leaders who can industrialise underwriting, monitoring, and risk governance, not just generate returns in favourable conditions.

2. **Screen for distribution-aware investment leadership** as the channel mix (ETF, wealth platforms, private banks) increasingly determines which strategies scale.

3. **Expect continued compensation dispersion** in scarce verticals (CLOs, private credit origination, ETF fixed income trading), with tighter discipline for generalist roles.

2025 restored fixed income as a growth engine for the investment industry—through flows, product expansion, and a broadening opportunity set across public and private markets. In 2026, the firms that win will be those that convert that demand into scalable, well-governed platforms, and hire leaders who can deliver outcomes through the cycle.

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